

New Aloha Stadium Entertainment District (NASED) Frequently Asked Questions

What is the vision for the New Aloha Stadium Entertainment District?

The New Aloha Stadium Entertainment District (NASED) will be a mixed-use, vibrant live-work-play-thrive community and destination, with a new multi-purpose stadium serving as the centerpiece. It will celebrate Hawaii's unique culture and inspire Aloha for the community and visitors alike.

Why is NASED needed?

In 2019, the Hawaii State Legislature found that:

"The existing Aloha Stadium and lands under the jurisdiction of the stadium authority and department of accounting and general services are underutilized. The stadium facility has been in dire need of significant repair and maintenance for many years. The stadium authority has considered repairing, upgrading, and replacing the existing facility to optimize the public's enjoyment and ensure public safety. Redeveloping, renovating, or improving these public lands in a manner that will provide suitable recreational, residential, educational, and commercial areas, where the public can live, congregate, recreate, attend schools, and shop, as part of a thoughtfully integrated experience, is in the best interests of the State and its people."

Where is NASED located?

The NASED site is in Hālawā, in central O'ahu, Hawai'i.

The 98-acre project site is bound on the north by Moanalua Freeway (H201), Queen Lili'uokalani Freeway (H1) to the east, Kahuapaani Street to the south, and Salt Lake Boulevard to the west.

Who is responsible for managing the NASED project?

NASED will be managed by the Stadium Authority, with assistance from the Department of Accounting and General Services and the Hawai'i Community Development Authority.

How will NASED be delivered?

NASED will be delivered via two primary projects: the Stadium Project and the Real Estate Project.

Will it always be called "NASED"?

NASED is the working title for the district. We expect that, as we near the opening date for the new Aloha Stadium, the state will work with stakeholders and possibly rename the district.

Community

Is community engagement a priority?

Active dialogue and working with the community are key to NASED's success. Details of community meetings and events may be found at <https://nased.hawaii.gov/meetings-events/>. As the project proceeds from planning through procurement, design, construction and operations, the state will continue to engage with the local community to ensure that its voice is heard and responded to.

If you would like to discuss community engagement, please get in touch with us at <https://nased.hawaii.gov/reachout/>.

Will local businesses and workers be utilized to help develop the NASED site?

We want to ensure that local and community businesses and workers are being utilized to provide work on NASED. We expect, and have obtained, international, national, and local interest in the delivery of NASED's two primary projects. As public-private partnership (P3) projects, many of the traditional goods and services associated with major construction projects will be procured by our (yet to be appointed) stadium and real estate developers.

While we expect to set minimum standards for engaging and utilizing local and community businesses and workers, we will evaluate bidders' proposals favorably where they can show a clear and contractual commitment to exceed these minimum standards.

If you would like to register your business' interest in working with NASED or its developers, please get in touch with us at <https://nased.hawaii.gov/doing-business/>.

Finances

What's the financing plan for NASED?

The state is contributing \$170 million towards NASED.

This state funding will be used primarily to offset a portion of the costs of designing and constructing the Stadium Project. The remaining costs to design and construct the Stadium Project will be financed by the Stadium Project developer. The Stadium Project developer will also maintain the facility it builds for a period of 30 to 35 years. In return for the costs the developer incurs for financing the design and construction of the Stadium Project, as well as maintaining it, it will be paid "availability payments" by the state for the same 30-to-35-year period.

The state, via the Stadium Authority, will continue to be responsible for operating the new Aloha Stadium. Income derived from these operations will be used to help pay for the availability payments. However, this net operating income will only partially cover the availability payments.

At present, the state has not appropriated any direct financial contribution to the Real Estate Project. Given this, the expectation is that the Real Estate Project developer will provide and fund all district infrastructure (roads, utilities, public spaces, etc.) as well as deliver the actual developments (which are expected to include residential, retail, hotels and office space). Should future state funding be made available for direct financial contributions, they would help offset the costs to the Real Estate Project developer for provision of the necessary infrastructure, thereby increasing the potential amount of ground lease payments back to the Stadium Authority.

The Real Estate Project is projected to provide annual returns to the Stadium Authority in the form of ground lease payments. The Real Estate Project ground lease payments, together with the income derived from Stadium Project operations, will be used to help pay for the availability payments.

What are the impacts of HB 1348 and reducing the state funding from \$350 million to \$170 million?

The new legislation arising from HB 1348 has not necessarily reduced the state funding. Rather, it has clarified that one of the sources is no longer suitable.

The previous funding for NASED (allocated under Act 268-SLH 2019) provided potential for \$350 million in funding, including \$180 million from revenue bonds, \$150 million from general obligation bonds and \$20 million from the state's general fund (cash). In 2020, the \$20 million cash appropriation was changed to be sourced from general obligation bonds, meaning that the funding became \$180 million revenue bonds and \$170 million general obligation bonds.

Since the initial funding was approved, project planning became more intensive and it was determined that the revenue bonds would not be suitable for NASED. This is reflected in HB 1348.

The reduction in overall funding available to the state to deliver NASED does have negative impacts on the long-term financial projections, including increasing the long-term availability payments by the state to the Stadium Project developer.

Can the state appropriate more capital funds in the future?

Yes. Should the state appropriate additional capital funds in the future, it would likely be used as contributions to the Real Estate Project's district infrastructure. This should provide long-term returns in the form of higher ground lease payments back to the Stadium Authority, which will help to further offset the Stadium Project availability payments.

What is the expected cost of the Stadium Project?

We are currently projecting a construction cost of approximately \$420 million in today's dollars, which reflects cost escalation from initial projections in 2017 and 2019, along with more detailed capital cost estimates for each element of the Stadium Project.

The main focus for the state is not directly on the construction cost of the stadium, but the overall availability payment for the Stadium Project (which is made up of paying back the financed design and construction costs, as well as the cost to maintain the facility). However, the construction cost is an important driver in this calculation.

What is the expected cost of the Real Estate Project?

The total cost of the Real Estate Project will ultimately depend on the extent of development that occurs. As noted above, the state is not currently expecting to provide any funding to the Real Estate Project.

What are Opportunity Zones and how can they impact NASED?

Opportunity Zones are a new community development initiative established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones initiative provides a tax incentive for investors to re-invest their capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones. (Source: <https://invest.hawaii.gov/oz/>)

NASED sits within an Opportunity Zone, and we expect derive both financial and development benefits from this designation.

What are the projected economic impacts of NASED?

The following are the projected economic impacts from the full build-out of NASED (Source: New Aloha Stadium Entertainment District, Draft Programmatic Environmental Impact Statement, December 2020):

Construction (one time):

- more than \$1.48 billion in economic output from construction spending
- approximately 12,660 construction jobs
- more than \$595 million in construction wages

Development (annually)

- more than \$79 million in net total output
- 690 net annual jobs
- \$28.8 million in net annual wages in Oahu/Honolulu County
- more than \$27 million in net new tax revenues at full build-out

Schedule

What is the schedule for the Stadium Project?

We expect to issue the Request for Proposal (RFP) to the shortlisted bidders for the Stadium Project this Summer and enter into a contract with the successful bidder in the second quarter of 2022 (calendar year). Construction would commence on the site later in 2022.

During the RFP stage for the Stadium Project, we will test the construction timeframe with our shortlisted bidders and confirm the targeted new Aloha Stadium opening with the selected developer.

What is the schedule for the Real Estate Project?

We expect to publish the RFP in July/August 2021 and enter into a contract with the successful bidder in the second quarter of 2022 (calendar year). The Real Estate Project will be built out over a span of years, with the current projections being approximately 20 years for all real estate development. However, we do expect that an initial portion of development will be complete and operational at the same time the new Aloha Stadium opens.

How are the two schedules interlinked?

The procurement processes for the Stadium Project and Real Estate Project are being conducted simultaneously to provide certainty to the Real Estate Project development team that the stadium will go forward. This also provides certainty to the state that an initial stream of ground lease income will be available to offset the Stadium Project costs prior to signing the Stadium Project contract.

Why was the planned opening of the new Aloha Stadium in fall 2023 delayed?

We experienced an unexpected delay when required legislation did not pass during the 2020 Hawaii legislative session. Then, we had to deal with further delays caused by COVID-19. However, we utilized this delay period productively. We refined the scope and approach for the Stadium Project and performed more due diligence to reduce project risk.

Why is it difficult to be more specific about the schedule for the Stadium Project?

While we have a reasonable expectation on the timeline for the completion of the new Aloha Stadium, this ultimately needs to be validated by the soon-to-be selected Stadium Project developer, who will actually build the new stadium. We will do this validation through the Stadium Project procurement process and will announce the opening date once we have a signed contract with the selected developer.

Why is it difficult to be more specific about the schedule for the Real Estate Project?

Ultimately, the schedule for the Real Estate Project depends on market conditions. However, we expect development to occur as promptly as possible. Also, as noted above, we do expect that an initial portion of development will be complete and operational at the same time the new Aloha Stadium opens.

Scope

Stadium Project

What is the Stadium Project?

The Stadium Project will be delivered under a public-private-partnership (P3) model and will include the design, construction, financing and maintenance of a new stadium (minimum 30,000 seats) and a prescribed minimum surrounding area with supporting infrastructure (e.g., roadways, parking, public spaces and requisite changes to utilities) for the new Aloha Stadium. The Stadium Project also includes the demolition of the existing Aloha Stadium.

What will be the capacity of the new Aloha Stadium?

A minimum of 30,000 seats.

Why will the new Aloha Stadium have less seats than the current one?

The minimum capacity of 30,000 seats was derived after further diligence and research by the state in 2020. The research indicated that a minimum of 30,000 seats was an optimal capacity, based on historical and projected events and attendances, in conjunction with the availability payment cost projections. This reduction in capacity, coupled with increases in amenities, was also supported by our many industry stakeholders.

What amenities will be included in the new Aloha Stadium?

Our current reference design (to be included in the Stadium Project RFP) includes features such as: a wide variety of food and beverage options and outlets, modern-day technology to enhance the fan experience, and high-quality, premium facilities such as suites and club seating.

How does the maintenance component of the stadium work?

The maintenance component of the Stadium Project will require the developer to maintain the facility to defined standards for a period of 30 to 35 years. The facility must also be handed back to the state at the end of the 30-to-35-year period to defined standards.

If the Stadium Project developer fails to meet the required standards, then its payments from the state may be reduced under a specified and pre-approved regime. This will ensure that the developer designs, builds and maintains the facility in a manner that leads to long-term quality and performance.

Real Estate Project***What is the Real Estate Project?***

The Real Estate Project will comprise the development of approximately 70 acres of the overall 98-acre site in a manner that supports the NASED vision and objectives.

It is expected to be delivered via a master developer style arrangement, whereby the state will contract with one entity. This lead developer will manage the master plan for the Real Estate Project, which will transform the current site (which is a parking lot) into a series of developable parcels (including roads, utilities, public spaces, etc.). Then, either by itself or with sub-developers, the lead entity will develop and commercialize a series of buildings within those parcels.

What types of development will be constructed in NASED?

The market analysis for NASED identified that a mix of residential, retail, hotels and office space could be accommodated. However, the state will encourage and consider other innovative land uses and development opportunities during the Real Estate Project procurement process. Any of these alternative scenarios must still be in alignment with the live-work-play-thrive concept for NASED.

Will certain types of development be prohibited?

Yes. While some developments or land uses may be permissible under the proposed zoning for NASED, they may be deemed as inconsistent with the vision for the district. Examples of uses not supported by the state for NASED include: automobile sales and rentals, self-storage units, commercial distribution centers, and correctional facilities.

Will affordable housing be mandated at NASED?

The state does not intend to mandate that affordable housing is provided at NASED. However, our current projections identify that over 90% of the projected residential real estate would be in the "workforce housing" band.

Will there be ceiling income limits placed on the residential real estate components?

The state does not intend to place ceiling income limits on the residential real estate components at NASED. As noted above, our current projections identify that over 90% of the projected residential real estate would be in the “workforce housing” band.

Is NASED just for visitors?

No. Our analysis identifies that over 90% of residential developments will be occupied by kama’āina and almost 80% of the entire real estate development would be supported or utilized by Hawaii residents.

Procurement

How is the Stadium Project being procured?

The Stadium Project is being procured via a two-stage procurement process. The first stage included the publishing of a Request for Qualifications (RFQ) in March 2020. This yielded three priority-listed respondents who are all highly qualified and experienced in P3s and stadium project design, construction and maintenance.

The second stage will be issuing an RFP to the priority-listed respondents this Summer. Once proposals are submitted to the state in early 2022, they will be evaluated, and a successful bidder will be selected. Shortly after its selection, the successful bidder will enter into a contract with the state, which is expected to occur in the second quarter of 2022 (calendar year).

How is the Real Estate Project being procured?

The Real Estate Project is being procured via a two-stage procurement process. The first stage is expected to commence with the publishing of the RFP Part 1 in July/August 2021. RFP Part 1 will seek responses from bidders on (amongst other things) their skills, experience and financial capacity to deliver the Real Estate Project, as well as their project understanding and initial approach (including their approach to engaging with the community). The intent of RFP Part 1 is for the state to select a number of short-listed bidders to proceed to the RFP Part 2 stage.

The plan is for the RFP Part 2 to be issued to the short-listed bidders in the fourth quarter of 2021. Once proposals are submitted to the state in the first quarter of 2022, they will be evaluated and a successful bidder will be selected. Shortly after its selection, the successful bidder will enter into a contract with the state, which is expected to occur in the second quarter of 2022 (calendar year).

How will the state maintain transparency and fairness during the procurement processes?

Procurement transparency and fairness are central principles of the procurement processes established for the Stadium Project and the Real Estate Project. While both processes do not fall within Chapter 103D, Hawaii Revised Statutes, procurement plans have been developed for each to align with the state procurement code to protect the best interests of the state.

We have also structured our evaluation governance so that there is appropriate separation between reviewers, evaluators and approvers.

Given the competitive nature of the procurement process, bidders’ proposals will remain confidential as they are being developed and evaluated. This is entirely consistent with procurements of this type. Once the contracts have been awarded, proposals will be placed in the procurement file for public inspection in accordance with the state procurement code.

Who is evaluating proposals?

The state has selected specialist evaluation committees for both the Stadium Project and the Real Estate Project. These committees are comprised of a mix of state employees and subject-matter experts from the development industry.

How can my business get involved?

If you would like to register your business, please contact us at <https://nased.hawaii.gov/doing-business/>.

EIS

Visit: <https://nased.hawaii.gov/quickfactsfaqs/>.

NASED Masterplan

What is the purpose of the NASED masterplan?

The purpose of the NASED masterplan is to provide illustrative, programmatic solutions to how NASED may be developed. It is not to dictate to developers what is required, but rather to demonstrate how different locations for the new Aloha Stadium within the Hālawā site can generate different patterns of development. Developers and their design teams will be encouraged to explore all options for the site's development, possibly identifying even better outcomes for consideration.

While three location options for the new Aloha Stadium were originally rendered to allow the Stadium Project's respondents to freely consider their proposed location, the response from the industry was that they want the state to select the site of the stadium. This is now part of our due diligence to propose what we believe is the optimum location for the respondents to consider, evaluate, and confirm or adjust in their proposals.

Below is a link to a flyby video that highlights the original three concept renderings for the Stadium Project and the Real Estate Project, providing a virtual view of some preliminary possibilities for the 98-acre parcel. Click on the link to view the video: <https://nased.hawaii.gov/stadium-project/>.

The video also shows possible amenities that could be included on the NASED site.

Burials and archaeological

Have the cultural descendants for the Hālawā ahupua'a been consulted?

Yes. Summaries of interviews with lineal and cultural descendants with ties to the project site area are included in the Draft Environmental Impact Statement (DEIS), and information on other past oral testimonies are also provided. Data was extrapolated from these sources that provide an unprecedented comprehensive look at the previous cultural resources on this 'āina.

Is the site expected to contain any historical/archaeological resources and burial sites?

The Draft EIS did not identify any major archaeological sites within the NASED site. It is, however, acknowledged that there is potential for archaeological historic properties to be identified within the site. While the site has been altered to a large extent over the last several decades through agricultural practices, military use, and fill operations and construction of the existing Aloha Stadium, it remains possible that subsurface archaeological resources may exist at the site.

An archaeological inventory survey has commenced which will help us better understand the site from this perspective and make recommendations regarding the extent of and approach to construction monitoring.

Are there processes in place if any historical/archaeological resources or burials are discovered?

An archaeological and/or burial monitoring plan(s) will be developed from the findings of the archaeological inventory survey. The plan(s) will describe the processes to be followed if any historical/archaeological resources or burials are discovered. All contractors and developers working on the site will be required to comply with this plan(s).

Construction

When will construction commence?

We expect major construction activity to commence in the second half of 2022.

How will construction impacts be managed (e.g., traffic, noise, dust, vibration)?

Each contractor and developer working on the site will be required to develop and comply with construction, traffic and environmental management plans that appropriately deal with these matters in accordance with state and county regulations.

Existing Stadium

When will the existing stadium be demolished?

The timing of the demolition of the existing Aloha Stadium will be a decision for the Stadium Project developer. However, we expect this to commence in the second half of 2022 or early 2023.

How did the state arrive at this decision?

The existing Aloha Stadium has considerable structural damage and other maintenance issues. The financial impact of COVID-19 on the state meant that continuing the operation of the stadium was unsustainable.

Are there benefits to demolishing the stadium early?

Yes. Allowing the existing Aloha Stadium to be demolished prior to completion of the new facility, provides for greater flexibility of site arrangement for the district. This means that the new Aloha Stadium can be placed in a location that provides financial savings by better addressing utility and other infrastructure relocations (sewer, gas, and electrical).

We also expect that allowing early demolition of the existing stadium before construction of a new stadium should be less costly and allow for a quicker overall construction timeline.

Where will UH play their football games?

The University of Hawaii is planning on playing its home football games at Ching Field on the UH Manoa campus until the new Aloha Stadium is operational.

What will happen with other events (e.g., high school football, graduations, etc.)?

Events, such as high school football, will continue at local schools' sites until the new stadium is completed. Similarly, graduation events will occur either at the schools' facilities, or another location of the schools' choosing. Once the new Aloha Stadium is completed, these events can return.

Utilities

What is being done to deal with sewer capacity constraints?

It's projected that full NASED build out will require more sewer capacity than the current system can accommodate. Given the time and cost of expanding the sewer system to meet the needs of NASED, an alternate approach is being developed by the NASED team.

Parking and Tailgating

Will parking on the site increase as a result of NASED?

Given the extent of development projected on the site, the parking requirements are expected to slightly increase above the number of parking stalls currently on the site. However, this will ultimately be a decision for the Real Estate Project developer, in accordance with any county regulations and ordinances.

How many parking stalls will be available for Aloha Stadium events?

We are striving for a balanced approach for stadium events, including a mix of vehicles, buses and rail transportation. We are in the process of confirming the expected rail ridership to and from Aloha Stadium events, and once this is confirmed, we will work with stakeholders to establish a reasonable number of required parking stalls for Aloha Stadium events.

How will tailgating be accommodated for UH games?

NASED will offer a new approach to pre-game (and post-game) activities, through vibrant, easy-to-access food, beverage and entertainment offerings. While some people will always want to tailgate, we are developing new ways for the public to find far more attractive and accessible gathering experiences.

Traffic

Will NASED increase traffic in the local area?

Given the extent of development projected on the site, the amount of day-to-day traffic is also expected to increase from what it is today. The Real Estate Project developer will be required to undertake detailed traffic modeling and to address the impacts of traffic in accordance with state and county regulations.

Operations and Events

Will UH football return to the new Aloha Stadium?

We fully expect UH football will return to Aloha Stadium as soon as the new stadium is completed.

What other events are expected in the new Aloha Stadium?

The new Aloha Stadium will be designed as a multi-purpose facility that can accommodate a range of events and activities. In addition to football, the stadium will be configured for soccer, rugby, concerts, and a wide range of other entertainment and community events.

What is going to happen to the Swap Meet?

The Stadium Authority is committed to supporting the Swap Meet & Marketplace before, during and after construction of the New Aloha Stadium Entertainment District. We value our partnership with our Swap Meet vendors, and we recognize that it generates significant revenue.

What is going to happen with the 50th State Fair and other car park events?

Given that the build out of the district is expected to occur over many years, we expect that a lot of these events can continue to be accommodated in the near term.

However, when fully built out, NASED will have much less surface parking, meaning that events such as these may be more difficult to accommodate. We will work with these events to see how they may be accommodated at NASED.

Ownership, Governance and Management

Will the state retain ownership of the NASED land?

Yes.

For the Stadium Project, the state will retain 100% ownership of the land and the new Aloha Stadium.

For the Real Estate Project, the state will retain 100% ownership of the land. However, during the lease periods, the developer will own the buildings.

Is Aloha Stadium being privatized?

No.

Will existing Aloha Stadium staff be terminated?

The Stadium Authority has been forced to operate with less resources arising from structural and other maintenance issues. This has been compounded by the state's financial challenges as a result of COVID-19, which led to early closure of the existing Aloha Stadium. The Stadium Authority will seek to preserve and/or reassign functions and responsibilities to the best of its abilities as it moves forward with NASED.